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To: <amitchell@nndec.org>, <leslie@nndcd.org>
Cc: "Ernest Franklin" <efranklin@nntrc.org>, "Norbert E Nez (E-mail)" <Norbert.E.Nez.91@Alum.Dartmouth.ORG>
Subject: FW: DCD Matching funds lease documnets
Date: Wed, 15 Feb 2006 10:37:58 -0700
Thread-Index: AcYxlkCN3hcGfd9yTqSeQ2ZDR4WcEwAvmyTA

Exit Grant.pdf	65K
Shirley Designation of Erate Ma	31K
Undiscounted Funds Commitment.	39K
DCD OnSat Matching Funds overvi	19K

Arbin,

Per my discussion with Norbert that he is not going to be in the office today, Ernest needs a letter from you today. Attached is a draft of that letter entitled Undiscounted Funds. Also attached is the complete documentation on how OnSat will lease equipment from DCD and then DCD will use an equal amount of funds to provide for the Service for the Sites. What Ernest, as Consortium Manager needs today is a letter from you stating that DCD will provide \$3,325 for the 2006-2007 grant period (see attached).

Thanks,

Dave



**THE
NAVAJO
NATION**

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JOE **SHIRLEY, Jr.**
PRESIDENT

FRANK J. **DAYISH, Jr.**
VICE PRESIDENT

TO : Arbin Mitchell
Division of Community Development
Leland Leonard
Division of Dine' Education


RE : Navajo Nation Library Consortium and Memorandum of Agreement
Between and Among Division of Dine' Education and Division of
Community Development

Pursuant to the above MOA and in continuation of my Letter of Instruction to Community Development RE: Universal Access Funds, E-RATE, SLD, we hereby continue to designate Mr. Ernest Franklin as the authorized individual to be responsible for all issues relating to E-RATE.

We appreciate Mr. Franklin's invaluable contributions in the area of using technology to advance community development, education and job opportunities for the people of the Navajo Nation and want to make sure that everyone understands that his continued involvement in these technology efforts is imperative to the Nation.

Additionally, I have asked Mr. Franklin to make technology presentations on behalf of myself and the Navajo Nation at several United Nations meetings this year, particularly the United Nations meeting in Brazil in June and November with me in Tunisia. The Navajo Nation is taking a leadership position in Indigenous Affairs. Opening the world to the Navajo Nation is one of the things that this administration has been tasked with. Please expedite any necessary approvals so that Mr. Franklin can obtain his travel reservations at the least possible cost.

Thank you for your support in this matter.


Joe Shirley, Jr.

February 15, 2006

Ernest Franklin
Navajo Nation Consortium Manager
Box 9000
Window Rock, Arizona 86515

RE: Dine' Education Consortium also know as the Navajo Nation Library Consortium
For Plan Year July 1, 2006 to June 30, 2007

Dear Mr. Franklin,

This is to confirm that the Navajo Nation Division of Community Development will provide up to \$3,325 per site as payment for the undiscounted portion of the application for funds for all sites under the above mentioned Consortium and above mentioned time period.

Please call me if you have any questions.

Sincerely,

Arbin Mitchell
Executive Director
The Navajo Nation Division of Community Development
Box 610
Window Rock, Arizona 86515

The Navajo Nation Library Consortium Matching Funds Solutions

In 1999-2000, the first of 2 grants from the Bill and Melinda Gates Foundation to the Navajo Nation Division of Community Development was obtained for computers and satellite public access to the Internet for the 110 Chapters.

In order to provide this connectivity two things are needed. First is satellite modems/equipment and second is satellite bandwidth service. Generally equipment is a one time cost and bandwidth service is a recurring cost. Just like phone service the phone itself is a one time expense and the service is paid on a recurring basis.

At the time of the original grant there was no plan for long term sustainability to keep the Internet Service running at the Chapters after the Gates grant ended. Gates wanted the Nation to pay for ongoing service after their grant ended. Sustainability is a major factor in providing Internet service at the Chapters at no cost to the people.

Under the first grant, OnSat installed STM satellite modems at all Chapters. STM went bankrupt in 2002. OnSat continued to provide bandwidth service and found a replacement satellite modem from a company called Aloha.

On August 1, 2003, the Gates Foundation provided an additional grant to DCD to fund the purchase of the Aloha equipment. The total amount for the equipment from Aloha was \$1,500,074.00. Attached is a copy of the Gates Grant.

This Aloha satellite equipment is currently owned by the Navajo Nation DCD. It consists of a satellite antenna and transmitter/LNB on the roof of each of the 110 Chapters and a satellite modem that resides inside the Chapter. At the OnSat Woodbine, MD hub, there is another "hub" Aloha modem that connects the Chapters to the Internet. These are the modems that allow OnSat to provide the Internet Service to the Chapters.

Aloha filed bankruptcy in November, 2004. OnSat has been able to keep the Chapter network running without additional cost to Navajo. January 2006, OnSat purchased all the Aloha assets, including patents out of bankruptcy. The assets of the former Aloha Company are now owned by OnSat and as such Aloha modems have become proprietary to OnSat.

The Aloha modems function well and OnSat is using them to maintain the Navajo Chapter Library Consortium bandwidth.

In 2003-2005 85% of the cost of the bandwidth that the Chapters use for the "Library Service" was paid for by the Universal Access Fund (Erate). The matching funds were paid by a \$960,225.00 Gates grant (in addition to the Aloha grant). Funds from Head Start also were applied as a match. This was approved in a subsequent Erate audit by KPMG.

The Navajo Nation needs to continue this program so that the Navajo people can have public access to the Internet at the Chapters. Future matching funds are not available from General Funds and ongoing service is in jeopardy without such matching funds.

Even though Erate has provided a way to fund 85-90% of the required bandwidth charges, a method of paying the balance of the matching funds must be found.

One of the methods to provide matching funds is for DCD to lease the DCD owned Aloha modems and equipment to OnSat for \$3325.00 per year per Chapter. OnSat would accept this if; in turn the DCD would agree to pay OnSat \$3325.00 per year per Chapter for Internet Services.

OnSat will use the equipment leased from DCD along with other OnSat owned equipment to provide Service to the Library and other Navajo organizations. Each of the other organizations/groups/individuals will provide for funding for their own bandwidth/service.

To enable the long term sustainability of Chapter connectivity, a lease agreement will be to be concluded between OnSat and DCD that will provide for OnSat's payment of \$3325.00 per year per Chapter to DCD to lease the Aloha modem and equipment and DCD's agreement to pay \$3325.00 per year for OnSat's Service.

While this lease may take some time to complete, all that is currently needed to be in compliance with Erate rules is a letter from DCD stating that it will provide the funding for the undiscounted portion of the Erate application for the Dine' Education Consortium. This letter must be submitted with the Erate Form 471 by 3PM on February 16, 2006.

With these matching funds, the Chapters will have increased internet speed and video conferencing and video conferencing equipment. Video conferencing and video broadcast will become available at every Chapter during 2006-2007.